

Mr. VICENTE GONZALEZ of Texas. Mr. Speaker, I rise today in support of H.R. 1565, the Senior Security Act.

This commonsense legislation will provide much-needed information for policymakers and regulators to fine-tune protections for elderly investors.

In south Texas, where we share the deep value of respect for our elders, we say society is judged on how we care for our parents, our grandparents, and beyond. We all know how closely financial health is tied to overall well-being. I am proud to support this legislation that equips us to identify better ways to protect our senior citizens and for them to protect themselves from fraud and scammers.

This Senior Security Act aims to protect our seniors and prevent these attacks from happening. This legislation will build upon the Senior Safe Act by creating an interdivisional task force at the Securities and Exchange Commission to examine and identify challenges facing seniors and investors.

Within 2 years of enactment, the U.S. Government Accountability Office must study and report the economic costs of the financial exploitation of our seniors. Let's be clear: Scammers will stop at nothing to take advantage of our seniors, and it is up to us in this House to stop them.

Mr. Speaker, I encourage my congressional colleagues to join me in supporting this important piece of legislation, and I urge its passage.

Mr. MCHENRY. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Ms. PRESSLEY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, H.R. 1565 will help our financial regulators better protect our Nation's seniors and the retirement funds they spent their entire lives building. I urge all of my colleagues to stand up for senior investors and vote "yes" on H.R. 1865.

Mr. Speaker, I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in strong support of H.R. 1565, the "Senior Security Act," which will help stop financial predators from scamming seniors out of their savings by creating a federal Senior Investor Taskforce within the Securities and Exchange Commission (SEC) to strengthen protections and safeguards for senior investors.

This legislation will establish the Senior Investor Taskforce at the SEC, which will be charged with identifying problems senior investors encounter, including financial exploitation and cognitive decline, as well as identifying regulatory changes that could help senior investors.

The established Senior Investor Taskforce will be required to:

Identify challenges that senior investors encounter, including problems associated with financial exploitation and cognitive decline;

Identify areas in which senior investors would benefit from changes at the Commission or the rules of self-regulatory organizations;

Coordinate, as appropriate, with other offices within the Commission and other

taskforces that may be established within the Commission, self-regulatory organizations, and the Elder Justice Coordinating Council;

Consult, as appropriate, with state securities and law enforcement authorities, state insurance regulators, and other federal agencies; and

Submit a biennial report to Congress.

Every day, and far too often, vulnerable seniors in Texas and across the country fall victim to financial scammers.

Seniors have worked their entire lives with the promise of a safe and secure retirement, but unfortunately criminals are taking advantage of uncertainty surrounding the pandemic and working overtime to target them.

No senior should ever have to worry that picking up the phone could mean being scammed out of thousands of dollars, but unfortunately, for too many members of our communities, that is exactly what is happening.

Retirement accounts are not the only damage these scams target—they damage the independence and trust of a vulnerable community.

During the COVID-19 pandemic, we have seen instances of fraud rise in unprecedented numbers, as scammers attempt to take advantage of senior citizens and deprive them of their hard-earned savings.

Bad actors preying on older Americans is, unfortunately, nothing new, but in the midst of a global pandemic impacting Americans' lives and livelihoods, cracking down on those scams must be a priority.

One such scam was thwarted by Houston police and the Harris County District Attorney, who made an arrest in February in an international cyber-scam that bilked unsuspecting, mostly elderly victims out of more than \$1 million.

According to a report from the Senate Special Committee on Aging released last Congress, older Americans lose approximately \$3 billion each year to financial scams and abuse.

Although 1 in 20 seniors in the U.S. is a target of fraud schemes, the National Adult Protective Services Association has found that only 1 in 44 seniors report that they are victims of a fraud scheme.

Fraudulent IRS impersonation and tech support calls are among the common and costly scams, and according to the Treasury Inspector General for Tax Administration, more than 2.5 million Americans have been targeted by scammers impersonating IRS officials.

Since 2013, more than 15,800 taxpayers have lost at least \$80 million from this type of scam alone.

Furthermore, Microsoft estimates that more than 3 million Americans are victims of technical support scams, where scammers pretend to be with a reputable tech company and persuade seniors to provide personal and bank information.

Although we do know a few statistics, the lack of good, recent data on senior financial exploitation is a problem that H.R. 1565 would significantly aid in resolving.

For this reason, I urge all members to join me in voting to pass H.R. 1565, the Fraud and Scam Reduction Act, which is critical to protecting seniors' hard-earned savings and stopping fraudulent schemes before it is too late.

The SPEAKER pro tempore (Mr. TAKANO). The question is on the motion offered by the gentlewoman from

Massachusetts (Ms. PRESSLEY) that the House suspend the rules and pass the bill, H.R. 1565.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. BIGGS. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

PROMOTING TRANSPARENT STANDARDS FOR CORPORATE INSIDERS ACT

Mr. PERLMUTTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1528) to require the Securities and Exchange Commission to carry out a study of Rule 10b5-1 trading plans, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Promoting Transparent Standards for Corporate Insiders Act".

SEC. 2. SEC STUDY.

(a) STUDY.—

(1) IN GENERAL.—The Securities and Exchange Commission shall carry out a study of whether Rule 10b5-1 (17 CFR 240.10b5-1) should be amended to—

(A) limit the ability of issuers and issuer insiders to adopt a plan described under paragraph (c)(1)(i)(A)(3) of Rule 10b5-1 ("trading plan") to a time when the issuer or issuer insider is permitted to buy or sell securities during issuer-adopted trading windows;

(B) limit the ability of issuers and issuer insiders to adopt multiple trading plans;

(C) establish a mandatory delay between the adoption of a trading plan and the execution of the first trade pursuant to such a plan and, if so and depending on the Commission's findings with respect to subparagraph (A)—

(i) whether any such delay should be the same for trading plans adopted during an issuer-adopted trading window as opposed to outside of such a window; and

(ii) whether any exceptions to such a delay are appropriate;

(D) limit the frequency that issuers and issuer insiders may modify or cancel trading plans;

(E) require issuers and issuer insiders to file with the Commission trading plan adoptions, amendments, terminations and transactions; or

(F) require boards of issuers that have adopted a trading plan to—

(i) adopt policies covering trading plan practices;

(ii) periodically monitor trading plan transactions; and

(iii) ensure that issuer policies discuss trading plan use in the context of guidelines or requirements on equity hedging, holding, and ownership.

(2) ADDITIONAL CONSIDERATIONS.—In carrying out the study required under paragraph (1), the Commission shall consider—

(A) how any such amendments may clarify and enhance existing prohibitions against insider trading;

(B) the impact any such amendments may have on the ability of issuers to attract persons to become an issuer insider;

(C) the impact any such amendments may have on capital formation;

(D) the impact any such amendments may have on an issuer's willingness to operate as a public company; and

(E) any other consideration that the Commission considers necessary and appropriate for the protection of investors.

(b) REPORT.—Not later than the end of the 1-year period beginning on the date of the enactment of this Act, the Commission shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under section (a).

(c) RULEMAKING.—After the completion of the study required under subsection (a), the Commission shall, subject to public notice and comment, revise Rule 10b5-1 consistent with the results of such study.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. PERLMUTTER) and the gentleman from North Carolina (Mr. MCHENRY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. PERLMUTTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. PERLMUTTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1528, the Promoting Transparent Standards for Corporate Insiders Act, is a bill introduced by Chairwoman MAXINE WATERS for several Congresses to strengthen confidence in our capital markets by ensuring everyone plays by the same rules.

This bill passed with overwhelming bipartisan support in the last Congress and is designed to promote strong enforcement against financial fraud by ensuring corporate executives cannot indirectly or illegally trade on material nonpublic information they know about their companies.

The Securities and Exchange Commission, the SEC, prohibits insider trading as a fraud that hurts investors as well as the integrity of our capital markets. Those accused of illegal insider trading sometimes defend themselves using the SEC's rule for trading plans and claim any trades that occurred while they possessed inside information were made pursuant to a preapproved trading plan. But the rule for trading plans has several shortcomings and loopholes that may allow corporate insiders to get away with insider trading.

This bill would require the SEC to study whether to amend its rule for trading plans to limit the ability of corporate insiders to, for example, adopt multiple overlapping plans or change their plans to indirectly take advantage of inside information. This bill would then require the SEC to report to Congress and revise its rules based on the results of the study.

This bill is needed to protect confidence in our markets. For example, last year, we saw numerous pharmaceutical executives profiting from conveniently timed announcements regarding the companies' progress toward a COVID-19 vaccine.

For instance, shortly after Moderna announced positive results for its vaccine, the pharmaceutical company's CEO altered his trading plan to increase the number of shares sold through the plan. Shortly thereafter, he sold shares for millions of dollars in profit.

Similarly, on the same day Pfizer announced positive data regarding its vaccine, Pfizer's CEO sold more than \$5 million worth of shares as part of his trading plan.

This bill is supported by investor and consumer advocates, public pension funds, and State securities regulators, including the California Public Employees' Retirement System, the Council of Institutional Investors, and the North American Securities Administrators Association.

Mr. Speaker, I urge all of my colleagues to vote "yes" on this bipartisan bill, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1528, the Promoting Transparent Standards for Corporate Insiders Act.

As my colleague stated, this is bipartisan legislation that strikes an important balance. It protects retail investors in the market from illicit insider trading while, at the same time, ensuring that the rules governing insider trading are clear, fair, and not prohibitively onerous.

I thank my colleagues for supporting this bill last Congress, and I think they should do so this Congress. Thwarting and punishing fraud and abuse within our financial markets is not a Republican or Democrat issue. This includes illegal insider trading. When a corporate insider gains an unfair advantage by violating current insider trading rules and trading on material nonpublic information, that illegal behavior harms Main Street investors.

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It harms those who diligently put their hard-earned money aside for retirement.

It is important to note that not every corporate insider or executive trading in the stock of his or her company is a bad actor. The Securities and Exchange Commission's current rules and guidelines allow corporate insiders to pur-

chase and sell securities of their company without fear of insider trading liability. Most corporate insiders carefully follow this rule called rule 10b5-1, and they follow it to the letter of the law.

Moreover, this rule ensures that insider trading guidelines are fair tools when properly followed. These rules are designed to allow corporate insiders to liquidate their stock options when needed, such as when trying to pay for a child's education, buying a house, or paying medical expenses.

Furthermore, allowing insiders to purchase and sell securities at a predetermined time on a scheduled basis under rule 10b5-1 ensures market stability.

This rule also decreases the risk of volatility by preventing fraudulent behavior, such as the so-called pump-and-dump schemes that some have tried to take advantage of.

This bill requires the SEC to study whether this current rule should be amended. In studying the rule, the SEC is directed to consider how any amendments would clarify and enhance existing prohibitions against insider trading. Importantly, though, the bill also requires the SEC to weigh any potential amendments against the important benefits of this rule.

The SEC is also directed to consider what effects amending the rules would have on attracting qualified candidates for open insider positions, such as capital formation, and a company's willingness to go public.

I am pleased that this is a bipartisan legislation that thoughtfully balances the meaningful goals of protecting everyday investors with facilitating economic growth opportunities, and I think that ensures that we keep a healthy capital markets function here in the United States.

Mr. Speaker, I have no further speakers on my side, and I yield back the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, I yield myself the balance of my time.

In closing, I urge my colleagues to vote "yes" on H.R. 1528, which will help prevent corporate insiders from using inside information to rig the game in their favor at the expense of investors and the integrity of our markets.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. PERLMUTTER) that the House suspend the rules and pass the bill, H.R. 1528.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. ROSENDALE. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

SECURE AND FAIR ENFORCEMENT BANKING ACT OF 2021

Mr. PERLMUTTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1996) to create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; PURPOSE.

(a) **SHORT TITLE.**—This Act may be cited as the “Secure And Fair Enforcement Banking Act of 2021” or the “SAFE Banking Act of 2021”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents; purpose.
- Sec. 2. Safe harbor for depository institutions.
- Sec. 3. Protections for ancillary businesses.
- Sec. 4. Protections under Federal law.
- Sec. 5. Rules of construction.
- Sec. 6. Requirements for filing suspicious activity reports.
- Sec. 7. Guidance and examination procedures.
- Sec. 8. Annual diversity and inclusion report.
- Sec. 9. GAO study on diversity and inclusion.
- Sec. 10. GAO study on effectiveness of certain reports on finding certain persons.
- Sec. 11. Application of this Act with respect to hemp-related legitimate businesses and hemp-related service providers.
- Sec. 12. Banking services for hemp-related legitimate businesses and hemp-related service providers.
- Sec. 13. Requirements for deposit account termination requests and orders.
- Sec. 14. Definitions.
- Sec. 15. Discretionary surplus funds.

(c) **PURPOSE.**—The purpose of this Act is to increase public safety by ensuring access to financial services to cannabis-related legitimate businesses and service providers and reducing the amount of cash at such businesses.

SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.

(a) **IN GENERAL.**—A Federal banking regulator may not—

(1) terminate or limit the deposit insurance or share insurance of a depository institution under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), the Federal Credit Union Act (12 U.S.C. 1751 et seq.), or take any other adverse action against a depository institution under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) solely because the depository institution provides or has provided financial services to a cannabis-related legitimate business or service provider;

(2) prohibit, penalize, or otherwise discourage a depository institution from providing financial services to a cannabis-related legitimate business or service provider or to a State, political subdivision of a State, or Indian Tribe that exercises jurisdiction over cannabis-related legitimate businesses;

(3) recommend, incentivize, or encourage a depository institution not to offer financial

services to an account holder, or to downgrade or cancel the financial services offered to an account holder solely because—

(A) the account holder is a cannabis-related legitimate business or service provider, or is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(B) the account holder later becomes an employee, owner, or operator of a cannabis-related legitimate business or service provider; or

(C) the depository institution was not aware that the account holder is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(4) take any adverse or corrective supervisory action on a loan made to—

(A) a cannabis-related legitimate business or service provider, solely because the business is a cannabis-related legitimate business or service provider;

(B) an employee, owner, or operator of a cannabis-related legitimate business or service provider, solely because the employee, owner, or operator is employed by, owns, or operates a cannabis-related legitimate business or service provider, as applicable; or

(C) an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business or service provider, solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business or service provider, as applicable; or

(5) prohibit or penalize a depository institution (or entity performing a financial service for or in association with a depository institution) for, or otherwise discourage a depository institution (or entity performing a financial service for or in association with a depository institution) from, engaging in a financial service for a cannabis-related legitimate business or service provider.

(b) **SAFE HARBOR APPLICABLE TO DE NOVO INSTITUTIONS.**—Subsection (a) shall apply to an institution applying for a depository institution charter to the same extent as such subsection applies to a depository institution.

SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.

For the purposes of sections 1956 and 1957 of title 18, United States Code, and all other provisions of Federal law, the proceeds from a transaction involving activities of a cannabis-related legitimate business or service provider shall not be considered proceeds from an unlawful activity solely because—

(1) the transaction involves proceeds from a cannabis-related legitimate business or service provider; or

(2) the transaction involves proceeds from—

(A) cannabis-related activities described in section 14(4)(B) conducted by a cannabis-related legitimate business; or

(B) activities described in section 14(13)(A) conducted by a service provider.

SEC. 4. PROTECTIONS UNDER FEDERAL LAW.

(a) **IN GENERAL.**—With respect to providing a financial service to a cannabis-related legitimate business (where such cannabis-related legitimate business operates within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable) or a service provider (wherever located), a depository institution, entity performing a financial service for or in association with a depository institution, or insurer that provides

a financial service to a cannabis-related legitimate business or service provider, and the officers, directors, and employees of that depository institution, entity, or insurer may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a financial service; or

(2) for further investing any income derived from such a financial service.

(b) **PROTECTIONS FOR FEDERAL RESERVE BANKS AND FEDERAL HOME LOAN BANKS.**—With respect to providing a service to a depository institution that provides a financial service to a cannabis-related legitimate business (where such cannabis-related legitimate business operates within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable) or service provider (wherever located), a Federal reserve bank or Federal Home Loan Bank, and the officers, directors, and employees of the Federal reserve bank or Federal Home Loan Bank, may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a service; or

(2) for further investing any income derived from such a service.

(c) **PROTECTIONS FOR INSURERS.**—With respect to engaging in the business of insurance within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable, an insurer that engages in the business of insurance with a cannabis-related legitimate business or service provider or who otherwise engages with a person in a transaction permissible under State law related to cannabis, and the officers, directors, and employees of that insurer may not be held liable pursuant to any Federal law or regulation—

(1) solely for engaging in the business of insurance; or

(2) for further investing any income derived from the business of insurance.

(d) **FORFEITURE.**—

(1) **DEPOSITORY INSTITUTIONS.**—A depository institution that has a legal interest in the collateral for a loan or another financial service provided to an owner, employee, or operator of a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

(2) **FEDERAL RESERVE BANKS AND FEDERAL HOME LOAN BANKS.**—A Federal reserve bank or Federal Home Loan Bank that has a legal interest in the collateral for a loan or another financial service provided to a depository institution that provides a financial service to a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

SEC. 5. RULES OF CONSTRUCTION.

(a) **NO REQUIREMENT TO PROVIDE FINANCIAL SERVICES.**—Nothing in this Act shall require